



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Legal Branch
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KATHLEEN CONNELL
Chair

DEAN ANDAL
Member

B. TIMOTHY GAGE
Member

December 18, 2000

Information Letter
2000-1218

Re: *****

Dear *****:

Your request dated *****, has been referred to me for response.

California Revenue and Taxation Code section 21012(a) authorizes the Franchise Tax Board to respond to inquiries from individuals and organizations, when appropriate in the interest of sound tax administration, about their status for tax purposes and the tax effects of their acts or transactions. Subdivision (h) of section 21012 provides that Chief Counsel Rulings shall be issued in accordance with published guidelines. The FTB provided such guidelines in FTB Notice 89-277, dated May 10, 1989.

Section C of FTB Notice 89-277 provides the following guidance with respect to the discretionary authority of the Franchise Tax Board to decline to issue a Chief Counsel Ruling:

Corporate Taxpayers

The Franchise Tax Board generally follows federal policy in this area, and will ordinarily not issue advance rulings in certain areas because of the factual nature of the problems involved. The Franchise Tax Board may decline to issue a ruling or opinion on other grounds, whenever warranted by the facts and circumstances of a particular case. The Franchise Tax Board will normally decline to issue an advance ruling in areas including, but not limited to where:

- (1) The request involves an area in which the Internal Revenue Service has announced that it will not issue advance rulings, including alternative plans of proposed transactions and hypothetical situations;
- (2) Either the taxpayer's name or identifying number is not provided;
- (3) The requester is a professional preparer or representative acting on behalf of a taxpayer and has not provided his or her legal analysis and conclusion with the request;

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- (4) The law is clear and reasonably thorough research would provide the answer;
- (5) State and federal law are the same (unless a specific statutory or regulatory authority requires such a ruling);
- (6) The answer to the question depends on factual issues. For example: whether a unitary business exists, or the value of property as of a certain date;
- (7) The question involves an issue that is subject to an existing audit, appeal or protest with respect to that taxpayer or where the issue is currently on appeal or in court.

Upon reviewing the request dated *****, it was determined there was no named taxpayer or identifying number, there was no explanation as to whether the issue was the subject of a current audit by the staff of the Franchise Tax Board, and the issue is significantly dependent on factual issues. For these reasons staff of the Franchise Tax Board declines to respond to your inquiry.

It is regretted a favorable response was not possible.

Very truly yours,

Edward J. Kline
Tax Counsel